

of the increasing Johnston County retail sales despite increasing competition from other parts of the County.

Published tabulations of North Carolina sales tax returns provide a continuous series of data on Gross Retail Sales of all Johnston County businesses, which is roughly comparable to the Census of Business figures on Total Retail Sales volumes presented above. The chart on the facing page shows this data, on an annual basis, through June, 1963. Retail sales (the solid black line) have been increasing rather steadily throughout the period, though there have been short-term cyclical fluctuations. These sales volumes are expressed here as index numbers, that is, as percents of the sales in the base year, the fiscal year 1961-62, in order to facilitate comparison with personal income figures.

The median* income reported by Johnston County families was \$1,496 in 1949 and \$2,469 in 1959, an increase of about 65%. However, the amount of actual goods and services which could be purchased with this median income did not increase by 65%, since prices paid by consumers were, in general, higher in 1959 than in 1949. The effect of inflation, as measured by the Consumer Price Index, has been such that it would take about \$1,890 in 1961-62 dollars to buy the same amount of the goods and services that \$1,496 would buy in 1949. Similarly, it would take about \$2,550 at 1961-62 values to equal the purchasing power of \$2,469 in 1959. So the real increase in

* The median is a kind of average; it is the income of the family which would be exactly in the middle if all the families were arranged in order from the one with the highest income to the one with the lowest. It is known that the incomes reported to the Census are understated, on the average, by about 25%, but this is of no importance here since we are concerned with relative changes in income rather than their absolute levels.